



**STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097**

GLENN M. OKIMOTO
DIRECTOR

Deputy Directors
JADE T. BUTAY
FORD N. FUCHIGAMI
RANDY GRUNE
JADINE URASAKI

IN REPLY REFER TO:

Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawaii

ISSUANCE OF A DIRECT LEASE TO COMMERCIAL SHELVING, INC.
2835 & 2845 UALENA STREET, HONOLULU INTERNATIONAL AIRPORT
TMK: (1) 1-1-04:03 (portion) & (1) 1-1-04:05

OAHU

REQUEST:

Issuance of a direct lease to Commercial Shelving, Inc. for the operation and maintenance of a specialty contracting and retail wholesale business.

LEGAL REFERENCE:

Section 261-7 and 171-59, Hawaii Revised Statutes.

APPLICANT / LESSEE:

Commercial Shelving, Inc. a Hawaii corporation, authorized to do business in the State of Hawaii, whose business address is 2835 Ualena Street, Honolulu, Hawaii 96819.

LOCATION AND TAX MAP KEY:

Portion of Honolulu International Airport, Island of Oahu, State of Hawaii, identified by Tax Map Key: (1) 1-1-04:03 (portion) & (1) 1-1-04:05.

AREA:

EXHIBIT A:

Area/Space No. 005-128A, consisting of approximately 25,171 square feet and Area/Space No. 005-128B, consisting of approximately 178 square feet.

EXHIBIT B:

Area/Space No. 005-127, consisting of approximately 24,014 square feet, and

ZONING:

State Land Use District:	Urban
City and County of Honolulu:	I-2 (Industrial)

LAND TITLE STATUS:

Non-ceded - Direct purchase from private land owner
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES ☐ NO ☒

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3894, setting aside a portion of Honolulu International Airport under the control and management of the Department of Transportation, Airports Division, State of Hawaii, for Airport purposes.

The Department of Transportation, Airports Division acquired the subject property together with most of the remaining properties (except one) along the ocean (makai) side of Ualena Street, between Lagoon Drive and Paiea Street, in the mid 1990's from Loyalty Enterprises, Ltd.

CHARACTER OF USE:

Operation and maintenance of a specialty contracting and retail wholesale business.

TERM OF LEASE:

Approximately five (5) years, commencing on the date of lease execution and ending on December 31, 2017.

LEASE COMMENCEMENT DATE:

Upon execution of the lease document

ANNUAL LEASE RENTAL:

Property Lease Rental. Annual property lease rental in the sum of \$222,288.00, payable in monthly installments of \$18,524.00.

PERFORMANCE BOND:

Sum equal to three times the monthly lease rental in effect.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-8(a), Environmental Impact Statement Rules of the Department of Health, State of Hawaii, this disposition is exempt from requirements regarding preparation of an environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, Hawaii Revised Statutes, as amended, relating to Environmental Impact Statements, because the proposed action falls

within Exemption Class #1, Comprehensive Exemption List for the State of Hawaii, Department of Transportation, dated November 15, 2000, as approved by the Environmental Quality Council. Exemption Class #1 covers operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features involving negligible or no expansion or change of use beyond that previously existing.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>X</u>	NO <u> </u>
Registered business name confirmed:	YES <u>X</u>	NO <u> </u>
Good standing confirmed:	YES <u>X</u>	NO <u> </u>

REMARKS:

In accordance with Section 171-59(b), HRS, relating generally to Management and Disposition of Public Lands and relating specifically to Disposition by negotiation, the Department of Transportation (DOT) proposes to issue a direct Lease to Commercial Shelving, Inc., for the purpose of operating and maintaining a specialty contracting and retail wholesale business. The DOT has determined that the issuance of a direct lease to Commercial Shelving, Inc. will encourage competition within the airport-related industries at Honolulu International Airport.

RECOMMENDATION:

That the Board authorize the Department of Transportation to issue a direct lease to Commercial Shelving, Inc., subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (3) review and approval of the Department of the Attorney General as to the lease form and content.

Respectfully submitted,

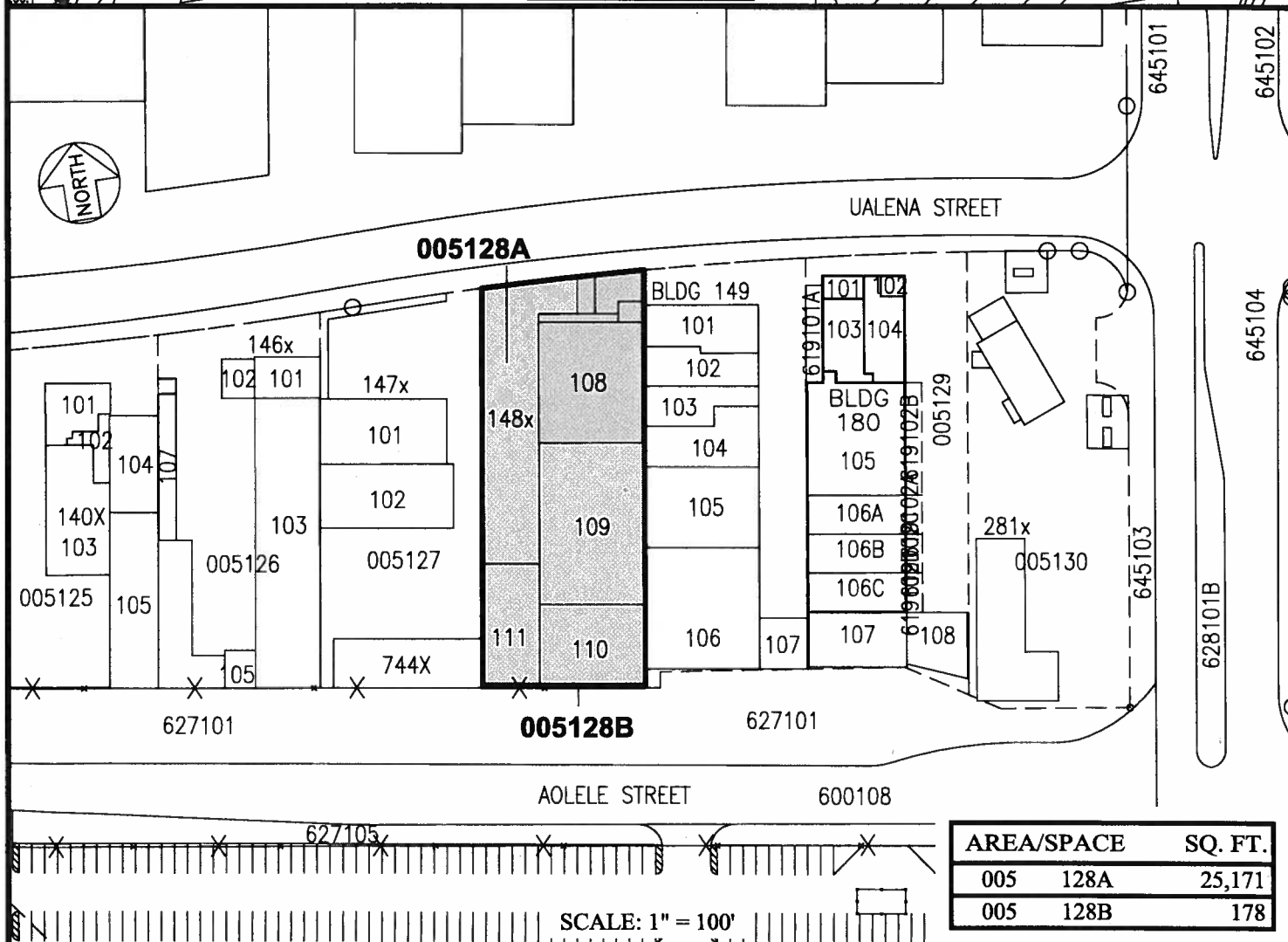
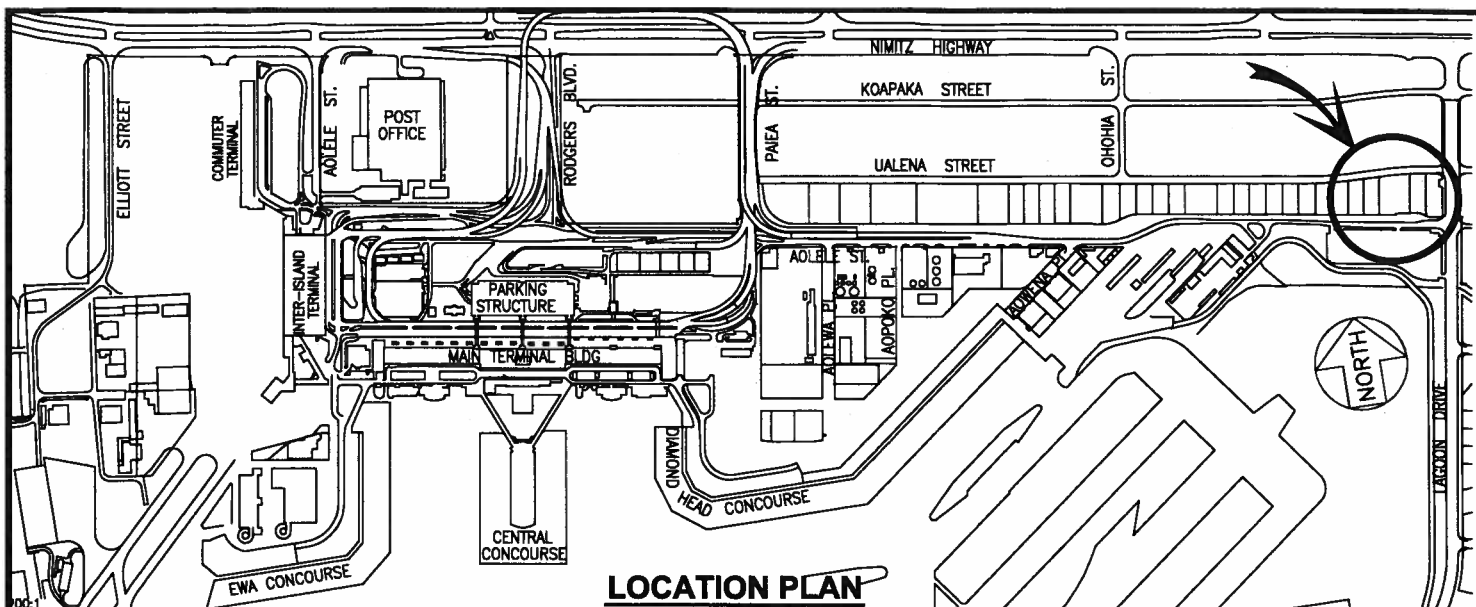


GLENN M. OKIMOTO, Ph.D.
Director of Transportation

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR.
Chairperson and Member



AREA/SPACE		SQ. FT.
005	128A	25,171
005	128B	178

DATE : DECEMBER 2012

EXHIBIT: A

Airports Division

**COMMERCIAL
SHELVING, INC.**

2835 UALENA STREET

005128A,B
148101-104

PLAT 16

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HONOLULU INTERNATIONAL AIRPORT

